PRINCE EDWARD ISLAND
MARKETING COUNCIL
ANNUAL REPORT

1999

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Prince Edward Island
CANADA

Agriculture
and Forestry

Marketing Council
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March 31, 2000

Hon. Eric Hammill
Minister of Agriculture and Forestry
11 Kent Street
Charlottetown, P.E.I.
C1A 7N8

Dear Mr. Hammill:

I have the honour to submit herewith the operations report of the Prince Edward Island Marketing Council for the 1999 calendar year.

Council's financial report for the 1998/99 fiscal year is amalgamated with the financial report of the Department of Agriculture and Forestry as Council's annual allocation is provided through the Department.

Respectfully submitted,

Kenneth MacLellan
Chairman

PRINCE EDWARD ISLAND MARKETING COUNCIL

The Prince Edward Island Marketing Council is a statutory body established under the *Natural Products Marketing Act*, R.S.P.E.I. 1988, Cap. N-3. The Council is responsible for the general supervision of commodity boards, marketing commissions and commodity groups established under the Act.

As of December 31, 1999, the Prince Edward Island Marketing Council consisted of the following members and staff:

Kenneth MacLellan, Chairman
Ronald Myers, Member
Murray Cook, Member
Bert Honkoop, Member
Peter Townshend, Member
Edgar Dennis, Member
Fred Dollar, Member
Rena Thompson, Member

Charles Coles, Marketing Council Officer
Barb Poirier, Staff

Marketing Council held eight meetings in 1999 and continued to keep abreast of issues facing the commodity boards, providing assistance when requested. Marketing Council conducted milk utilization audits of milk processing plants and a study of processing costs in the fluid milk sector. Marketing Council participated in several meetings regarding milk harmonization initiatives in the region. As well, Council and staff performed routine duties such as liaising with national agencies, conducting elections, regulating fluid milk prices and providing general supervision over the boards, commissions and commodity groups.

APPEALS TRIBUNAL

The Natural Products Appeals Tribunal is a statutory body established under the *Natural Products Marketing Act* It is responsible for hearing appeals of decisions made by commodity boards, marketing commissions and the Marketing Council.

As of December 31, 1999, the Natural Products Appeals Tribunal consisted of the following members and staff:

Colbourne Clow, Member
Kevin Ladner, Member
Donald MacDonald, Member

Dianne Bradley, Staff

Appreciation and thanks is expressed to the two individuals who completed terms as members of the Appeals Tribunal in 1999; Messrs Danny Walker and Fred Handrahan.

During 1999 there were no appeals.

COMMODITY BOARDS

Commodity boards are established by regulations made pursuant to the *Natural Products Marketing Act*.

There are five commodity boards organized under the Act. The following provides a brief overview of each of these boards.

EGG COMMODITY MARKETING BOARD

As of December 31, 1999, there were 19 egg producers. The board of directors of the Egg Commodity Marketing Board consisted of the following persons:

Peter Vriends, Chairman
William Hicken, Vice-Chairman
Sterling Ching, Secretary Treasurer
Lorne MacNeill, Director
Don Burns, Director

Murray Myles, General Manager

Provincially, the egg industry continued to enjoy relatively stable conditions during 1999. At the start of the year, the Board allocated 6% additional quota to all Island egg producers. During the year the Quota Exchange became an effective tool allowing producers to move quota from one producer to another.
On the national stage, the industry is struggling to identify a method of quota allocation that is acceptable to all provinces. Late in 1999, the Board held a special general meeting of producers to update all producers on this situation and seek direction for those who represent the Island industry at the National level.

The marketings for the year were 2.4 million dozen eggs of which 1.6 million dozen were consumed provincially and 0.8 million dozen were exported to Quebec breaking plants for industrial egg products. Gross farm cash receipts from eggs is approximately $3 million dollars annually. The Egg Board continues to purchase administrative support from the Milk Marketing Board.

HOG COMMODITY MARKETING BOARD

As of December 31, 1999, there were approximately 300 hog producers. The Hog Commodity Marketing Board consisted of the following persons:

Rodney Dingwell, Chairman
Dale Murray, Vice-Chairman
Andrew Van Weichen, Secretary-Treasurer
Guy Cudmore, Director
Ian Mutch, Director
Mark Pridham, Director

Robert Harding, Executive Director

The Hog Commodity Marketing Board was very active in 1999 as the hog producers of P.E.I. were faced with market returns below the cost of production for much of the year. The Board was involved in the administration of the Hog Bridge Loan Program and the Swine Quality Improvement Program. The Board negotiated a program that provides producers with the option of forward contracting hogs with Maple Leaf for a guaranteed price.

In 1999, the hog industry produced over 202,000 market hogs, with farm cash receipts valued at over $22 million.

MILK MARKETING BOARD

As of December 31, 1999, there were 355 dairy producers. The board of directors of the Milk Marketing Board consisted of:

John Van Ekris, Chairman
Kent MacDonald, Vice-Chairman
Jayne MacDonald, Secretary
Gary Hughes, Treasurer (Cream Rep.)
Ian McIsaac, Director
Wayne Cousins, Director
Eric Phillips, Director
Harold MacNevin, Director
Randall Affleck, Director

Murray Myles, Director of Finance & Administration

During 1999, the Milk Marketing Board continued to focus much of its attention on matters related to supply management A challenge by New Zealand and the United States under the World Trade Organization (WTO) agreement resulted in a need for a review of Canadian export programs for dairy products. A review of a six province Agreement on All Milk Pooling was begun.

The Board continued to support the development of a proposal concerning the amalgamation of the Milk Marketing Board and the Dairy Producers Association.

Also the Milk Marketing Board dealt with routine matters such as producer quota transfer requests, establishment of producer quotas and involvement in a number of provincial and national committees. Farm cash receipts for the P.E.I. dairy industry in

1999 were approximately $54 million dollars with 96 million litres of milk and cream produced.

POTATO BOARD

As of December 31, 1999, there were approximately 650 potato producers. The board of directors of the Potato Board consisted of:

Allison Dennis, Chairman
Tom Sherry, Vice-Chairman
Paul MacAulay, Secretary-Treasurer
Blair MacDonald, Director
Earle MacDonald, Director
Kelly Corcoran, Director
Layton Wallace, Director
Vernon Campbell, Director
Owen Ching, Director

Ivan Noonan, General Manager

The exit point potato quality monitoring and inspection facility in Borden-Carleton opened early in 1999.
The Board coordinated the development of a seed strategy for the province, and worked closely with the PEI Department of Agriculture and Forestry in improving the mandatory laboratory post harvest test program for PEI seed potatoes.
The Board continued to set minimum prices for PEI tablestock potatoes sold in the Canadian market.

Total provincial production of potatoes amounted to 28,600,000 hundredweight with farm cash receipts being reported as $213 million. The Board licensed 66 dealers and 11 exporters in 1999.

POULTRY MEAT COMMODITY MARKETING BOARD

As of December 31, 1999, there were 7 poultry producers. The board of directors of the Poultry Meat Commodity Marketing Board consisted of:

Leonard Carver, Chairman
David MacKenzie, Secretary
Dean Good, Director
Kevin Carver, Director
Andre Merks, Director
Adrian Uyterlinde, Director
Willard MacPhail, Director

Janet Hillard-Murphy, Secretary/Manager

In 1999, Island farmers produced over 3.1 million kilograms (eviscerated weight) of chicken meat during the year. The farm cash receipt value totalled over $5.1 million.

The Board representative to Chicken Farmers of Canada was involved in the development of a proposed new Federal/Provincial Agreement governing the Canadian chicken industry. At year's end, discussion on the proposed new agreement was continuing among stakeholders in the industry.

MARKETING COMMISSIONS

Marketing Commissions established by regulations made pursuant to the *Natural Products Marketing Act.*

There is one marketing commission organized under the Act:

TURKEY MARKETING COMMISSION

This Commission remains inactive.

COMMODITY GROUPS

Commodity groups are established by order of the Minister of Agriculture and Forestry pursuant to the *Natural Products Marketing Act.*

The powers of a commodity group are restricted to collecting a refundable levy from producers. There is presently one commodity group organized under the Act:

CATTLEMEN'S ASSOCIATION INC.

As of December 31, 1999, the board of directors of the Prince Edward Island Cattlemen's Association Inc. consisted of:

Stewart Mutch, President
Vernon O'Connor, Vice-President
Janet Fraser, Secretary-Treasurer
Don Godfrey, Director
Dean Baglole, Director
Buddy Loane, Director

Ronda Bellefontaine, Industry Development Officer

The Cattlemen's Association participates in national beef information and promotion efforts.
The Association and the Milk Marketing Board, with support from government, entered into an agreement with Maritime Pet Foods Inc. to provide an Island - wide dead stock removal service.
The Association continues to be active in addressing environmental issues such as fencing cattle out of waterways, buffer zones, and development of Manure Management

Guidelines.
The three Maritime cattle associations and provincial governments, the Atlantic office of the Beef Information Centre and meat packing plants in the region have joined forces to form the Maritime Beef Development and Marketing Group. The first branded product produced under the leadership of this group was launched on the market late in the year. The PEI Cattlemen's Association is carrying out the administrative work related to the project.

At the National level, the Association is working towards an agreement with the Canadian Cattlemen's Association on a national check-off for research and promotion purposes.

There were approximately 31,800 head of cattle marketed in 1999, with a farm cash receipt value of approximately $27.3 million.